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C. DUKES SCOTT
EXECUTIVE DIRECTOR

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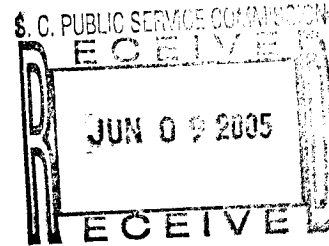
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DAN F. ARNETT
CHIEF OF STAFF

June 8, 2005

VIA U.S. MAIL

Mr. Charles L.A. Terreni
Chief Clerk/Administrator
South Carolina Public Service Commission
101 Executive Center Dr., Suite 100
Columbia, SC 29210



Re: Piedmont Natural Gas Company - Annual Review of Purchased Gas
Adjustments (PGA) and Gas Purchasing Policies
Docket No. 2005-4-G

Dear Charles:

Enclosed for filing please find enclosed a copy of the Office of Regulatory Staff's First Continuing Data Request which was served on counsel for the Applicant. Please date stamp the extra copy enclosed and return it to me in the self-addressed stamped envelope provided.

Please let me know if you have any questions.

Sincerely,


Benjamin P. Mustian

BPM
Enclosures

cc: James H. Jeffries, IV, Esquire
Scott Elliott, Esquire

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-4-G

IN RE:

Piedmont Natural Gas)
Company's Annual Review of)
Purchased Gas Adjustment and)
Gas Purchasing Policies)
_____)

CERTIFICATE OF SERVICE

This is to certify that I, Rena Grant, an employee with the Office of Regulatory Staff, have this date served one (1) copy of the **FIRST CONTINUING DATA REQUEST** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

James H. Jeffries, IV
Moore & Van Allen, PLLC
100 North Tryon Street, Ste. 4700
Charlotte, NC 28202

Scott Elliott, Esquire
Elliott & Elliott, P.A.
721 Olive Street
Columbia, SC 29205



Rena Grant

June 8, 2005
Columbia, South Carolina

STATE OF SOUTH CAROLINA
BEFORE THE PUBLIC SERVICE COMMISSION
DOCKET NO. 2005-4-G

IN RE:)	
)	
Piedmont Natural Gas Company)	OFFICE OF REGULATORY STAFF'S
Annual Review of the Purchased Gas)	FIRST CONTINUING DATA REQUEST
Adjustments and Gas Purchasing Policies)	
<hr/>)	

TO: JAMES H. JEFFRIES, IV, ATTORNEY FOR PIEDMONT NATURAL GAS COMPANY

On April 6, 1988, the Public Service Commission of South Carolina issued its Order No. 88-294 which requires the annual review of the Purchased Gas Adjustment and the Gas Purchasing Policies of Piedmont Natural Gas Company ("Piedmont" or "the Company").

Pursuant to S.C. Code Ann. §§ 58-4-10, 58-4-50, and 58-4-55, as enacted by 2004 S.C. Acts 175, and 26 S.C. Code Regs. 103-853 (Supp. 2003), the Office of Regulatory Staff hereby serves the within Data Requests upon Piedmont.

The Office of Regulatory Staff hereby requests, pursuant to 26 S.C. Code Regs. 103-853 (Supp. 2003), that you answer the following Data Requests in writing and under oath within ten (10) days after service, the same to be served upon the undersigned at the Office of Regulatory Staff, 1441 Main Street, Suite 300, Columbia, South Carolina, 29201. If you are unable to respond to any of the Data Requests, or part or parts thereof, please specify the reason for your inability to respond and state what other knowledge or information you have concerning the unanswered portion.

As used in these Data Requests, "identify" means, when asked to identify a person, to provide the full name, business title, address and telephone number. When asked to identify a document, "identify" means to provide a full and detailed description of the document. In lieu of

providing a full and detailed description of a document, you may attach to your responses a copy of the document and identify the person who has custody of it. When the word “document” is used herein, it means any written, printed, typed, graphic, photographic, or electronic matter of any kind or nature and includes, but is not limited to, statements, contracts, agreements, reports, opinions, graphs, books, records, letters, correspondence, notes, notebooks, minutes, diaries, memoranda, transcripts, photographs, pictures, photomicrographs, prints, negatives, motion pictures, sketches, drawings, publications, and tape recordings.

Wherever in this data request a masculine pronoun or possessive adjective appears, it refers to both males and females in accordance with traditional English usage.

IT IS THEREFORE REQUESTED:

- I. That all information requested below, unless otherwise specified, shall be limited to the Company’s South Carolina Natural Gas Retail Operations for the period under review in this docket.
- II. That all information shall be provided to the South Carolina Office of Regulatory Staff in the format requested.
- III. That all responses to the Data Requests below be labeled using the same numbers as used herein.
- IV. That the requested information be bound in 3-ring binders with numbered tabs between each question.
- V. That if the information requested is found in other places or other exhibits, reference shall not be made to those; instead, the information requested should be reproduced and placed in the Data Request in the appropriate numerical sequence.
- VI. That any inquiries or communications concerning clarification of the data requested below should be directed to Jay Jashinsky or John W. Flitter, of the South Carolina Office of Regulatory Staff.
- VII. That this entire list of questions be reproduced and included in front of each set of responses.
- VIII. That each question be reproduced and placed in front of the response provided.

- IX. That the Company provide six (6) paper copies of responses to the South Carolina Office of Regulatory Staff. In addition and if technically feasible, it is requested that the Company provide an electronic version of the responses.
- X. If the response to any Data Request is that the information requested is not currently available, please state when the information requested will be available.
- XI. That in addition to the signature and verification at the close of the Company's responses, the Company witness(es) or employee(s) or agent(s) responsible for the information contained in each response be indicated.
- XII. This Data Request shall be deemed to be continuing so as to require the Company to supplement or amend its responses as any additional information becomes available.
- XIII. For information requested herein where the information is kept, maintained, or stored using spreadsheets, please provide electronic versions of the spreadsheets, including the formulas used and embedded in the spreadsheet.

REQUESTS

- 1.1. Provide the daily contracted quantity of gas the Company has with each of its suppliers at November 2004 and 2005.
- 1.2. Identify any other sources of gas relied upon by the Company to meet its firm customer demand requirements and the daily maximum quantities available from each source.
- 1.3. Provide an analysis describing in detail how Piedmont Natural Gas Company develops its firm customer demand requirements.
 - a. Using the analysis requested above, provide what the company's forecasted customer demand requirements for the 2004-2005 winter period were and what the forecast for the 2005-2006 winter period is.
- 1.4. Provide the firm peak day requirements experienced for each month during the test period.
- 1.5. Provide documentation supporting the position that the price Piedmont pays for the gas it purchases from its suppliers, including costs for Commodity, Demand and Transportation, is competitive with the market and prudent.
- 1.6. Provide the following reports for each month beginning with April 2004 and continuing through March 2005:

- a. Billed/Filed Rated Commodity Worksheets;
 - b. Proration Adjustment Worksheets/Schedules;
 - c. Demand True-Up – South Carolina Worksheets;
 - d. Negotiated Loss Report;
 - e. Cumulative Margin – Buy/Sell, Capacity Release, Sales for Resale Worksheet;
 - f. Summary of the WNA for Total Company with Breakdown By Month and By State Report; and
 - g. Calculation of interest expense included in Account # 253.04
- 1.7. Provide details and calculations of the following included in the Gas Cost Deferred Account for the twelve month period ended March 31, 2005:
- a. Annual Line Loss Adjustment; and
 - b. Other

Upon receipt of the above reports/calculations/worksheets, certain items will be selected for detailed testing. Additional data requests for said detail testing will be forwarded as appropriate.

- 1.8. Provide copies of all invoices and supporting documentation requested in the sample invoice test previously submitted to your office. Provide with each invoice sufficient documentation to permit the audit staff to trace the purchase to all company books and records, including General Ledger, Inventory records, Wire Transfer forms and bank statements.
- 1.9. Provide detailed perpetual inventory for all inventory accounts including GSS, WSS, ESS, Columbia Gas Storage, Hattiesburg, LNG, Deferred Liquefaction Expense, Pine Needle LNG, North Carolina Natural Gas LNG, North Carolina Natural Gas Line Pack and any other inventory facilities that may have been acquired during this review period, that service the Carolinas.
- 1.10. Provide detail and supporting documentation of all hedging activities during the review period, including brokers statements which reflect type and amount of activity, gain/loss on each transaction, investment/service fees, and interest.



Benjamin P. Mustian, Esquire
South Carolina Office of Regulatory Staff
P.O. Box 11263
Columbia, SC 29211

Columbia, South Carolina
June 8, 2005